

WASHINGTON  
**HIGHER  
EDUCATION**  
COORDINATING BOARD



**WE HELP  
STUDENTS  
SUCCEED**

# **2005-07 Operating and Capital Budgets**

**Higher Education Coordinating Board  
June 23, 2005 (Revised)**

## *Overview of presentation*

- **Operating Budget**
  - Strategic master plan goals
  - Enrollment
  - State support
  - Tuition
  - Financial aid
- **Capital Budget**

## *Strategic master plan goals*

- **Goal 1: Increase opportunities for students to earn degrees. By 2010, the annual number of degrees earned will be:**
  - **11,500 Graduate degrees**
  - **30,000 Bachelor's degrees**
  - **27,000 Associate degrees**

## ***Strategic master plan goals***

- **Goal 2: Respond to the state's economic needs.**
  - **Increase the number of students who earn degrees and are prepared for work in high-demand fields**
  - **Increase the number of students who complete job training programs**
  - **Increase the number of students in adult basic education and English as a Second Language programs**



# *Enrollments*

*The Legislature responded in the operating budget by increasing the number of state-funded enrollments*

- **A total of 7,900 full-time equivalent enrollments over the next two years:**
  - **3,715 at the four-year universities**
  - **4,185 at the two-year colleges**

| <b>New Full-time Equivalent Students Added in the 2005-07 Budget</b> |                    |                    |           |          |                   |
|--|--------------------|--------------------|-----------|----------|-------------------|
|  | Lower-<br>division | Upper-<br>division | Undergrad | Graduate | Total<br>Increase |
| UW Seattle   |                    |                    | 280       | 80       | 360               |
| UW Bothell   | 125                | 150                |           |          | 275               |
| UW Tacoma  | 125                | 200                |           |          | 325               |
| WSU Pullman/Spokane  |                    |                    | 370       | 60       | 430               |
| WSU Tri-Cities   | 25                 |                    |           |          | 25                |
| WSU Vancouver  | 200                | 250                |           |          | 450               |
| CWU  |                    |                    | 625       | 25       | 650               |
| EWU  |                    |                    | 625       | 25       | 650               |
| TESC   |                    |                    | 200       | 10       | 210               |
| WWU  |                    |                    | 320       | 20       | 340               |
| SBCTC (two-year<br>college system)                                   | 4,185              |                    |           |          | 4,185             |
| Total  |                    |                    |           |          | 7,900             |



| <b>Total Budgeted Full-time Equivalent Students<br/>2006-07 Annual Average</b> |                |
|--|----------------|
| UW Seattle   | 33,217         |
| UW Bothell   | 1,540          |
| UW Tacoma  | 1,869          |
| WSU Pullman/Spokane  | 18,910         |
| WSU Tri-Cities   | 700            |
| WSU Vancouver  | 1,678          |
| CWU  | 8,649          |
| EWU  | 8,919          |
| TESC   | 4,143          |
| WWU  | 11,704         |
| SBCTC (two-year<br>college system)   | 133,040        |
| <b>Total</b>   | <b>224,369</b> |



# *State funding*

*The 2005-07 operating budget for higher education added \$243 million in state funds*

- **2003-05 Biennium** **\$2.70 billion**
- **2005-07 Maintenance Level** **\$2.83 billion**  
(amount necessary to continue current services)
- **2005-07 Final** **\$3.07 billion**
- **Change from 2003-05** **\$380 million (14%)**
- **Change from Maintenance** **\$243 million (9%)**

*For the institutions, the increase was \$181 million (7 percent)*

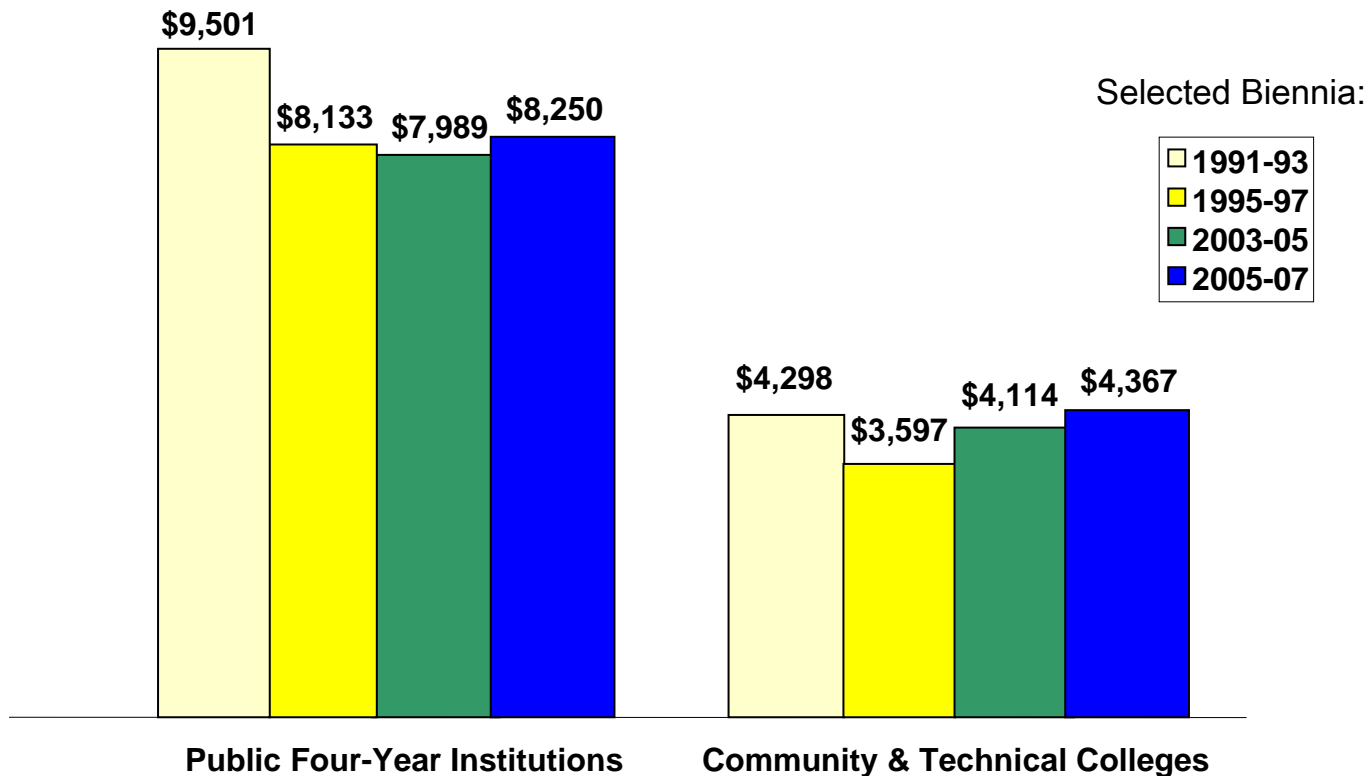
- **Enrollments** **\$73 million**
- **Employee salary  
and benefit adjustments** **\$144 million**
- **Other enhancements** **\$11 million**
- **Reductions** **-\$47 million**

*State funding per new student  
followed HECB recommendations*

| State Funding per<br>New Full-time Equivalent Student |          |
|---|----------|
| Community and Technical Colleges                      | \$5,400  |
| Four-Year Undergraduate                               | \$6,303  |
| Four-Year Graduate                                    | \$15,000 |
| Branch Campus Lower-Division                          | \$6,303  |
| Branch Campus Upper-Division                          | \$9,000  |

## *State spending per budgeted FTE student will increase in the 2007-09 biennium*

**State Appropriations per Budgeted FTE Student  
Adjusted for Inflation (2003-05 dollars)**



*Program goals: In recognition of the funding increases, colleges are being asked to make progress towards several goals*

- **For the two-year institutions:**
  - **Number of academic students who are ready to transfer**
  - **Number of students prepared for work in job training programs**
  - **Number of students who demonstrate substantive skill gains in adult basic skills programs such as high school completion and ESL**

## *Program goals (continued)*

- **For the four-year institutions:**
  - Time to degree
  - Enrollment by low-income students
  - Freshman retention
  - Quality of degree programs
  - Quality of research programs (UW and WSU)
  - Preparing students for the workforce





# *Tuition*

*Increases in resident undergraduate tuition were specified in the budget; institutions set nonresident and graduate rates*

| 2005-06 Tuition Rate Increases |               |             |          |             |
|--------------------------------|---------------|-------------|----------|-------------|
| Institution                    | Undergraduate |             | Graduate |             |
|                                | Resident      | Nonresident | Resident | Nonresident |
| UW                             | 7%            | 11.5%       | 9.2%     | 8.7%        |
| WSU                            | 7%            | 7%          | 5%       | 5%          |
| CWU                            | 6%            | 9%          | 7%       | 9%          |
| EWU*                           | 6%            | 0%          | 6%       | 0%          |
| TESC                           | 6%            | 0%          | 0%       | 0%          |
| WWU                            | 6%            | 6%          | 6%       | 0%          |
| CTCs**                         | 5%            | 1.8%        |          |             |

\*Tuition and fees being proposed to Board of Trustees on June 24, 2005.

\*\*Average tuition increase for all students.

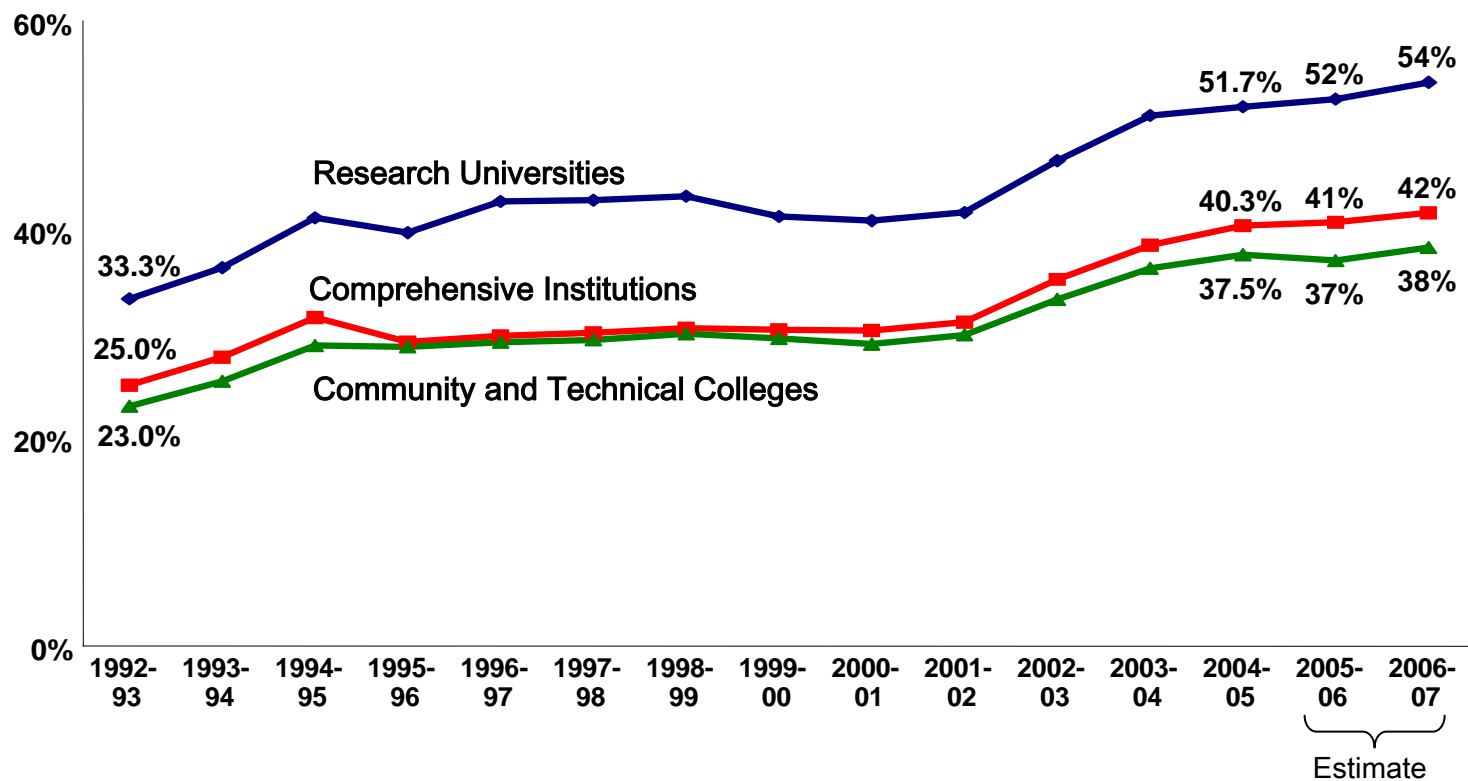
## *2005-06 resident undergraduate tuition and fees*

|                                       |                |
|---------------------------------------|----------------|
| <b>University of Washington</b>       | <b>\$5,385</b> |
| <b>Washington State University</b>    | <b>\$5,506</b> |
| <b>Central Washington University</b>  | <b>\$4,144</b> |
| <b>Eastern Washington University*</b> | <b>\$4,044</b> |
| <b>The Evergreen State College</b>    | <b>\$4,130</b> |
| <b>Western Washington University</b>  | <b>\$4,114</b> |
| <b>Community/Technical Colleges</b>   | <b>\$2,445</b> |

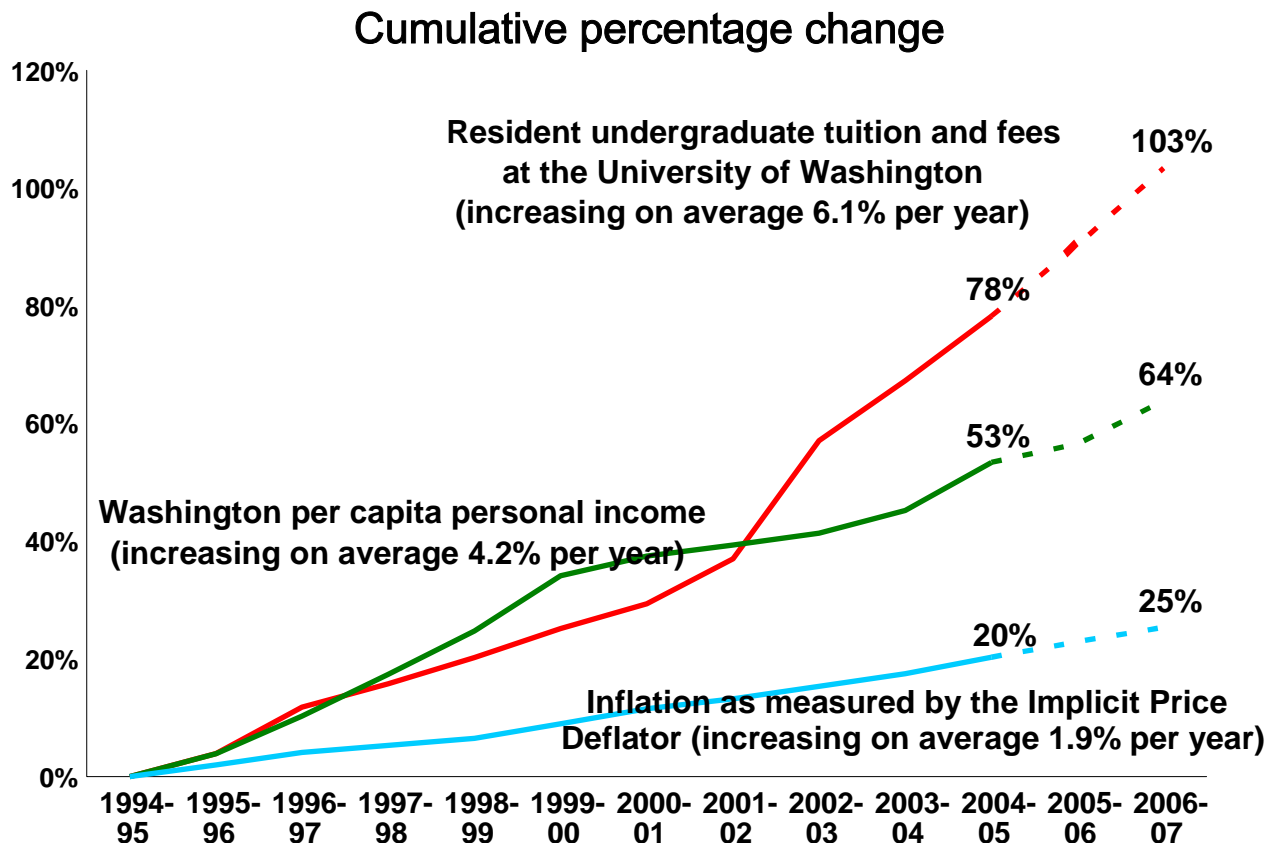
\* Tuition and fees being proposed to Board of Trustees on June 24, 2005.

## *Tuition is still becoming a greater share of the cost of instruction*

**Resident Undergraduate Tuition (operating & building fees)  
As a Percentage of Undergraduate Instructional Costs**



# *Tuition increases continue to outpace per capita income growth and inflation*





## *Financial aid*

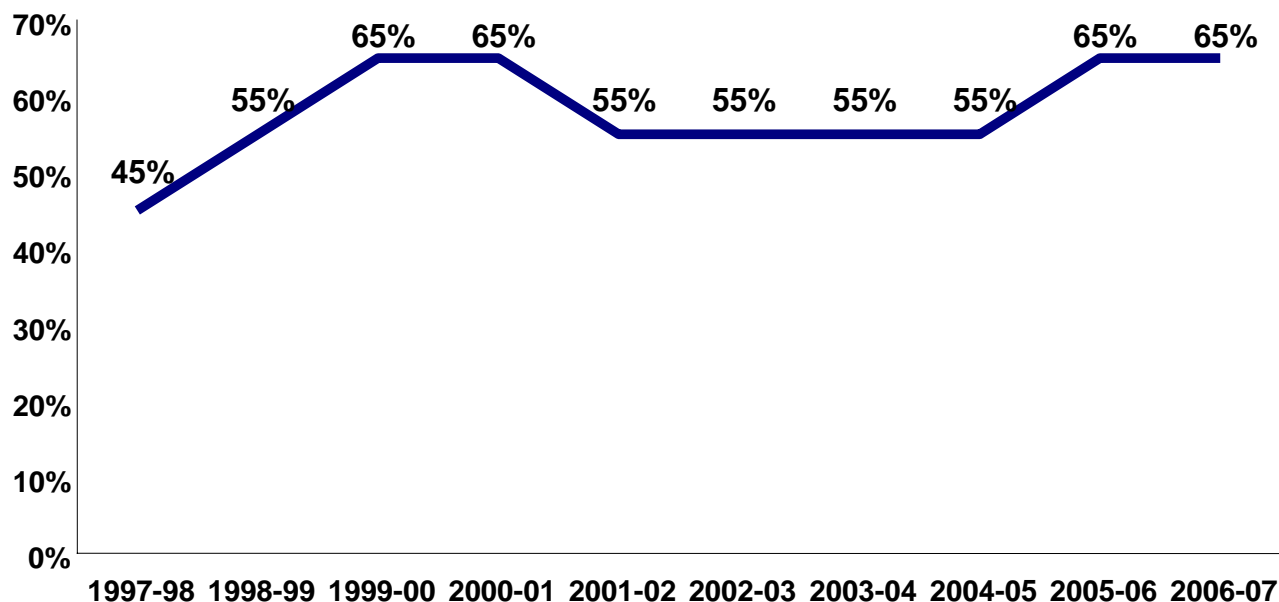
*For the HECB, funding was increased by \$63 million (19 percent) – nearly all of it for financial aid*

### **Highlights:**

- **State Need Grant** **\$70 million**
- **Promise scholarship** **-\$13 million**
- **State work study** **\$3 million**
- **Part-time student financial aid**
- **Conditional scholarships**
- **Foster care endowed scholarship**

*The income threshold for the State Need Grant was increased to the board's goal of 65 percent of median family income*

**Income Cut-off for State Need Grant Eligibility  
as a Percent of State Median Family Income**





## ***2005-07 Capital Budget***

- **Total capital budget - \$3.2 billion**
  - **\$1.6 billion in state bonds**
- **Total higher education - \$922 million**
  - **\$444 million in regular state bonds**
  - **\$234 million in Gardner-Evans bonds**
  - **\$68 million in Education Construction Fund**
  - **\$176 million in Local Capital Accounts**

*The higher education piece was split between the four-years and the two-years*

- **Four-year institutions - \$461 million**
  - \$202 million in regular state bonds
  - \$87 million in Gardner-Evans bonds
  - \$172 million in local and other funds
- **Two-year institutions - \$461 million**
  - \$242 million in regular state bonds
  - \$147 million in Gardner-Evans bonds
  - \$72 million in local and other funds

*Several major projects for the four-years included:*

- **The Evans Library renovation at TESC (\$22 million)**
- **A new Academic Instructional Center at WWU (\$51 million)**
- **The Bioproducts Facility at WSU Tri-Cities (\$25 million)**
- **The Riverpoint Nursing Center at WSU Spokane (\$32 million)**

*Several major projects for the two-years included:*

- **Replacement of a classroom building at Yakima Valley Community College (\$29 million)**
- **A new Science and Technology Facility at Peninsula College in Port Angeles (\$22 million)**
- **A new Business and Social Sciences Facility at Spokane Falls Community College (\$19 million)**
- **The Allied Health and Classroom Building at Wenatchee Valley College (\$23 million)**

## *Snohomish, Island, and Skagit Counties Needs Assessment*

- **\$500,000 appropriated to the HECB**
- **Conduct a higher education needs assessment and siting study in the Snohomish, Island, and Skagit Counties region**
- **Interim report – January 2006; final report – December 2006**
- **Two advisory groups**
  - **Representatives of higher education institutions and agencies**
  - **Legislators, local elected officials, and business and education leaders**

## *Snohomish, Island, and Skagit Counties Needs Assessment*

### **Areas of study:**

- **Assess the higher education needs in the region**
- **Evaluate alternative organizational models for meeting the needs**
- **Assess sites**
- **Identify costs and a process for completing a higher education expansion plan**

## *Snohomish, Island, and Skagit Counties Needs Assessment*

**Recommendations are to include:**

- **The type of institution(s) to be established**
- **A business and operations plan for the institution**
- **Potential sites for the institution**
- **Identification of site acquisition costs**
- **Identification of costs and a process for completing a master plan for higher education expansion**

## *Prioritization of public four-year university capital budget requests*

- **HB 2151 (2003) created a method for the four-year institutions to prioritize capital project proposals**
- **The capital budget recognizes the achievement of the institutions and provides guidance for future improvements**
- **The HECB is to now participate in the process of scoring proposed projects – using the criteria in the board's biennial budget guidelines**



*The HECB's biennial capital budget guidelines are to:*

- **Place a greater emphasis on early critical review of projects at the pre-design phase**
- **Identify statewide priorities**
- **Refine the quantitative scoring methods of the projects**
- **Draft guidelines to be presented to the board in October 2005 and adopted in December 2005**

WASHINGTON  
**HIGHER  
EDUCATION**  
COORDINATING BOARD



**WE HELP  
STUDENTS  
SUCCEED**